A Bill for an Act Relating to Amendments to Act 253, Session Laws of Hawaii 2000. Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Act 253, Session Laws of Hawaii 2000, is amended by amending section 107 to read as follows:

"SECTION 107. Section 89C-2, Hawaii Revised Statutes, is amended to read as follows:

"\$89C-2 Adjustments authorized; limitations, restrictions. Each appropriate authority may make adjustments for their respective excluded employees subject to the following guidelines and limitations:

(1) The compensation of excluded employees, whose pay is presently limited or fixed by legislative action, or prescribed by a salary commission, shall not be adjusted under this chapter and shall continue to be limited or fixed by the respective legislative body[;] or salary commission;

(2) The compensation of excluded employees exempt from civil service coverage, whose pay is set at the discretion of the appointing authority, shall continue to be adjusted at the discretion of the appointing authority from funds allowed for this purpose;

(3) Any adjustment made for excluded civil service employees shall be consistent with the merit principle and shall not diminish any rights

provided under chapter 76;

(4) For excluded employees under the same classification systems as employees within collective bargaining units, adjustments shall be not less than those provided under collective bargaining agreements for employees hired on a comparable basis;

(5) For excluded employees other than those under paragraph (4), adjustments shall, to the extent practicable, uniformly apply to every excluded employee within a homogeneous grouping, such as, cabinet members or managerial employees, to ensure fairness. This does not preclude variable adjustments based on performance or other job criteria and specific adjustments warranted based on the nature of work performed or working conditions; and

(6) No adjustment shall be made in benefits provided under chapter 88 unless specifically authorized by that chapter, or with respect to any other matter that the legislature may specifically prohibit or limit by

law.''

SECTION 2. Act 253, Session Laws of Hawaii 2000, is amended by amending section 124 to read as follows:

"SECTION 124. This part shall be repealed on June 30, [2003.] 2008." SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on June 30, 2002. (Approved May 31, 2002.)